



# PALM HARBOR COALITION

1219 Florida Avenue  
Palm Harbor, Florida 34683

June 4, 2009

Chairman Calvin D. Harris  
Pinellas County Commission  
315 Court Street  
Clearwater, FL 33756

Dear Commissioner Harris,

The Palm Harbor Coalition has had a bill before the State Legislature for the past two years which would authorize a referendum on incorporation of the area commonly known as Palm Harbor. In 2008, the bill died in committee when the speaker decreed that the Legislature would not have time to deal with local bills. In 2009, the Coalition pulled the bill when unexpected opposition arose in Crystal Beach.

The Coalition is just a group of citizens who feel incorporation would be beneficial to everyone involved. We have no real funding and felt that just the strength of our proposal would convince most citizens. We never expected any organized opposition, particularly from a body that had pledged to remain neutral.

Coalition members spent a great deal of time exploring alternatives and examining processes that worked in other parts of the country – the goal being “better and cheaper” government services. Our solution, commonly called “government lite” or “contract cities” seems to offer benefits not only to Palm Harbor and the other 24 cities, but also to Pinellas County. And, while it may seem to be a drastic departure from “business as usual”, it is a common sense approach to many problems traditional government has been unable to solve.

Government, by its nature, goes against many of the most cherished principles of this country – most notably, the free enterprise system. Government has no competition, no real reason to economize in the good times and only painful choices in the bad times. Too often decisions are made not for the good of the people, but for special interest groups or campaign donors (i.e., SB 360 recently signed by Gov. Crist).

Some government functions, such as public safety and the courts, must, by law, be performed by the government. Most other functions such as inspections, zoning review, water systems, road construction and maintenance, parks and recreation, sanitation, etc. can more efficiently be performed by the private sector where competition, rather than politics is the final judge. By contracting for all services not required by law, a city or county government has minimal employees, no huge medical or pension plans, no unions or labor contracts and few, if any equipment or capital outlays. Plus cities then have the ability to change contractors if they are dissatisfied with the service.

What began in California some 20 years ago has slowly spread across the county finally arriving in Florida with the incorporation of Weston in 1996. Newly incorporated cities have found that they can save significant

sums of money over the cost of traditional city services and get those services delivered faster and more efficiently than by any other method.

So why doesn't every government do it? Two reasons – First, at least one new city in a geographical area needs to be established for a contractor to move in all the personnel and equipment needed for a full service city. Second, existing cities have huge commitments and loyalty to existing personnel and think a contract city would involve lay-offs of their present personnel. However, most contractors will assume services over time and in most cases be willing to hire existing personnel (at similar salary and benefit levels). As long as the first city is established, consolidation across the entire geographical area can proceed seamlessly and at a pace chosen by the city.

I recently heard you speak at a public forum about the consolidation of government services across Pinellas County. And, while I applaud you for your forward thinking, it is still only half a solution. While you may receive some benefit from economies-of-scale, the most important factor – competition, is still missing. You also miss the benefit of private companies who typically cross train their employees thereby drastically cutting the total head count necessary to provide a wide range of services.

If you and other members of the Commission are truly serious about cutting the size and expense of government, the first step should be letting Palm Harbor proceed with its referendum without interference. A Town of Palm Harbor would give both the county and cities the base they would need to start contracting services and give taxpayers the competition and economies-of-scale that would eventually lower taxes for everyone.

Please feel free to contact me or any other member of the Coalition; we would be happy to discuss this issue further at any convenient time.

Sincerely,

/s/ Ric Clark

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cc: County Commission Members